



MACQUARIE  
ACN 002 574 923

Macquarie Private Wealth

Snapshot

# Infigen Energy

## Business Description

Infigen Energy (IFN, formerly Babcock & Brown Wind Partners) is a specialist renewable energy business with interests in a pipeline of Australian renewable energy developments and 24 operating wind farms across Australia and USA. IFN develop, build, own and operate energy generation assets and directly manage the sale of the electricity to a range of customers in the wholesale market. In FY11, IFN had the production of 4,667GWh.

## Strategy Analysis

IFN's investment strategy is to grow securityholder wealth through efficient management of its portfolio of wind energy generation assets. The strategy involves participating in growth markets where it can identify competitive advantages, investing in asset management, establish and grow an internal pipeline and diversify sources of capital, including recycling of capital from existing lower yield assets. IFN commenced with four operational wind farms at the time of the IPO in late October 2005, and now has a portfolio which operates across: South Australia, Western Australia, New South Wales, Germany, France, US South, US North, US West and US Central. IFN's counterparties for the sale of renewable energy and any associated green certificates include many electricity distribution and retail companies across four countries and many states or regions including Australia - AGL, Country Energy and Alinta; Germany - RWE Rhein Ruhr and in the US - TXU; Pacific Corp. Infigen Energy reported a net loss of \$60.99m for the year ended 30 June 2011. Revenues from ordinary activities were \$285.32m, up 1% from last year. Basic and Diluted EPS was (7.9) cents compared to (8.9) cents last year. Net operating cash flow was \$65.06m compared to \$111.59m last year. No final dividend declared was cents, taking the full year dividend to 1.0 cent compared with 2.0 cents last year.

27 January 2012

### Recommendation

Recommendation: Outperform  
Relative to: Small Ind (ex Fins)

### Investment Fundamentals

ASX code: IFN  
Stock price: \$0.28  
Market cap: \$213m

	Y/E 30/06/2012	2012e	2013e	2014e	2015e
Reported e	\$m	-17.1	11.8	33.8	45.3
Adjusted e	\$m	-17.1	11.8	33.8	45.3
EPS adjusted	¢	-2.3	1.5	4.4	6.0
EPS growth	%	-34.3	-168.6	187.5	34.0
PE	x	-12.4	18.1	6.3	4.7
PE relative	x	-0.9	1.7	0.7	0.6
DPS	¢	0.0	0.0	0.0	
Yield	%				
Franking	%	0.0	0.0	0.0	

### Share Price



Source: ASX and Company accounts

### Segment Performance

Results by Industry	Revenue (%)	Return on Sales (%)	Return on Assets (%)	Annual Shareholders' Return	
				1 year	3 year
Wind Energy	100.0	100.0	100.0	-43.0%	-29.0%
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	-26.0%	0.0%
Results by Geography				Dividend Reinvestment	
USA	56.2	4.7	53.9	Plan	Yes
Australia	43.8	5.7	73.4	Shareholder	
<b>Total</b>	<b>100.0</b>			Discounts	No

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